

MDR Tracking Number: M4-03-6197-01

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Division regarding a medical fee dispute between the requestor and the respondent named above.

This dispute was received on 04/24/03.

I. DISPUTE

Whether there should be additional reimbursement for hospital admission for dates of service 05/06/02 through 05/15/02. Carrier denied charges as, "F-The charge for this procedure exceeds the health facility fee schedule assigned by the Texas Workers Compensation Commission. F-The charges for this hospitalization have been reduced based on the fee schedule allowance."

II. RATIONALE

The carrier states in their position statement that the provider was only approved for a 2-day stay, the day of the surgery and the day after. The provider had contacted the carrier to get an additional 4 days preauthorized, but the carrier denied this request. The provider indicates that the surgery had taken place on the date of 05/09/02, but the patient was admitted on 05/07/02. The documentation does not support why the patient was admitted two days prior to surgery and does not support why the patient stayed an additional 5 days after the approved 2-day stay. The documentation does not indicate any complications for the additional 5-day stay, even though the carrier denied these services. The provider does not refute the denial of preauthorization requested but not obtained. Therefore, the dates of service prior to surgery, 05/06/02, 05/07/02, and 05/08/02 and the dates of service after, 05/11/02, 05/12/02, 05/13/02, 05/14/02 and 05/15/02 will be deducted from the total amount billed and the dispute will be reviewed per the Acute Care Inpatient Hospital Fee Guideline.

The carrier improperly reimbursed the charges for the implantables, per the submitted EOBs and reimbursed the requestor a total of \$73,930.85. Per Rule 134.401 (c)(4)(A)(i) this action is allowed only when stop loss is not in effect with a total audited bill below \$40,000.00.

The carrier did not audit the charges per Rule 133.1, 133.301 and 134.401. Per Rule 134.401 (c)(6)(v), "Audited charges are those charges which remain after a bill review by the insurance carrier has been performed."

According to Rule 134.401 (b)(2)(A) all hospitals are required to bill usual and customary. The requestor billed usual and customary. Without the appropriate audits per §133.301 and 134.401, the total of these disputed/audited charges exceed \$40,000.00.

According to Rule 134.401(c)(6), the services in dispute are to be reimbursed per the Stop-Loss Method. Stop-loss is an independent methodology established to ensure fair and reasonable compensation to the hospital for unusually costly services rendered during treatment to an injured worker. Rule 134.401(c)(6)(A)(i) states that to be eligible for stop-loss payment the total audited charges for a hospital admission must exceed \$40,000. The reimbursement for the entire audited admission shall be paid using a Stop-Loss Reimbursement Factor (SLRF) of 75%. The Stop-Loss Reimbursement Factor is multiplied by the total audited charges to determine the Workers Compensation Reimbursement Amount (WCRA) for the admission.

Rule 134.401(c)(6)(B) states the formula for calculating the appropriate reimbursement is:

Audited Charges x SLRF = WCRA.”

\$205,564.32	Total billed charges
<u>-\$13,256.09</u>	Proper audit reductions additional 8-day stay not approved by carrier
\$192,308.23	Total audited charges
<u>x 75%</u>	SLRA
144,231.17	Total recommended reimbursement
<u>-73,930.85</u>	Payments made
\$70,300.32	Additional reimbursement recommended (WCRA)

III. DECISION & ORDER

Based upon the review of the disputed healthcare services within this request, the Division has determined that the requestor **is** entitled to additional reimbursement for hospital admission of 05/06/02 through 05/15/02. Pursuant to Sections 402.042, 413.016, 413.031, and 413.019 the Division hereby ORDERS the Respondent to remit **\$70,300.32** plus all accrued interest due at the time of payment to the Requestor within 20 days receipt of this Order.

The above Findings, Decision and Order are hereby issued this 30th day of November, 2004.

Michael Bucklin
Medical Dispute Resolution Officer
Medical Review Division

Allen McDonald, Director
Medical Review Division

AM/mkb